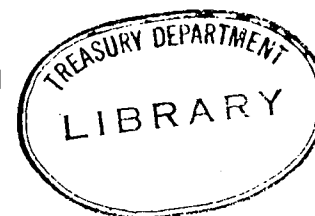


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U.S. GOVERNMENT
Annual Report, 1963.

of the
Secretary of the Treasury
on the
State of the Finances

For the Fiscal Year Ended June 30, 1963



Treasury Library

Fiscal Service BUREAU OF ACCOUNTS

The Bureau's major functions are Government-wide in scope. They cover the Government's central accounts and financial reports; disbursing for virtually all civilian Federal agencies; supervising the Government's depository system; determining qualifications and underwriting limitations of surety companies to write fidelity and other surety bonds covering Government activities; investing Government trust funds and other funds; administering Treasury loans and advances to Government corporations and agencies; accounting and reporting for foreign currencies acquired by the U.S. Government; and staff participation in the joint financial management improvement program.

Central Accounting and Reporting



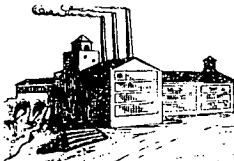
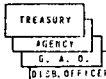
Résumé of advances since 1948

In October 1948, there was established what is now referred to as the joint financial management improvement program. Briefly, one of its purposes was to develop sound accounting within each agency, as a working arm of management, in terms of financial information and control. Fifteen years ago when the program began, the system of central accounts was geared to certain statutory (warrant) requirements which, although having served an essential purpose earlier, had become outmoded, resulting in overlapping and duplication of effort by the Treasury, the General Accounting Office, and the administrative and disbursing agencies concerned. That system has evolved into an accounting for the cash operations of the Government, a system based on the considerations that served as the framework for sections 114 and 115 of the Budget and Accounting Procedures Act of 1950 (31 U.S.C. 66b-66c). The present system is tied to the reporting of cash transactions by disbursing, collecting, and administrative offices and the Treasurer of the United States, is based on the accounts maintained by these offices, and is unified centrally to present results for the Government as a whole.

During this fifteen-year period, the central financial reporting of the Government has undergone considerable change. As a result of cooperative efforts by the Bureau of the Budget, the General Accounting Office, the Treasury Department, and other agencies, in carrying out the objectives of the Budget and Accounting Procedures Act of 1950, the scope has been expanded and the quality of central financial reporting improved, replacing inadequate disclosure of information, lack of consistency, and duplication.

The following chart illustrates developments over this period. It necessarily represents only a general outline of a major modernization of central accounting and reporting. The system which has evolved since 1948, apart from simplifications and better quality of results in Treasury operations, has freed the operating agencies from central rigid bookkeeping requirements, thereby permitting talent and energy to be applied in the basic financial services to management as was envisioned by the 1950 act.

FIFTEEN YEARS OF PROGRESS IN CENTRAL ACCOUNTING FOR CASH OPERATIONS OF THE GOVERNMENT

1948	SIGNIFICANT ELIMINATIONS	1963
<p>1. OUTMODED STATUTORY REQUIREMENTS</p>  <p>REQUIRED MAINTENANCE OF THE WARRANT SYSTEM OF ACCOUNTS</p>	<p>ACCOUNTABLE WARRANTS, COVERING WARRANTS, ETC.</p> <p>REQUESTION AND ADVANCE OF FUNDS TO DISBURSING OFFICERS' ACCOUNTS AND RELATED CENTRAL ACCOUNTS FOR SO-CALLED TREASURY CASH</p>	<p>1. BUDGET AND ACCOUNTING PROCEDURES ACT</p>  <p>AUTHORIZED ESTABLISHMENT OF A SIMPLIFIED SYSTEM OF ACCOUNTS</p>
<p>2. CREATED AN ACCOUNTING PAPER MILL</p> 	<p>APPROPRIATION AND FUND ACCOUNTS IN THE GENERAL ACCOUNTING OFFICE AND DISBURSING OFFICES</p> <p>MANY THOUSAND FUNDED CHECKING ACCOUNTS FOR DISBURSING OFFICERS WITH TREASURER, U.S.</p>	<p>2. UTILIZING THE ACCOUNTING DATA OF</p> <div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; padding: 2px;">DEPARTMENTS AND AGENCIES</div> <div style="border: 1px solid black; padding: 2px;">COLLECTING AND DISBURSING OFFICERS</div> <div style="border: 1px solid black; padding: 2px;">TREASURER OF THE UNITED STATES</div> </div>
<p>3. WHICH RESULTED IN THE MAINTENANCE OF</p> <div style="display: flex; align-items: center;"> <div style="margin-right: 10px;"> -UNCOORDINATED -INCONSISTENT -INCOMPLETE AND -DUPLICATE ACCOUNTING </div>  </div>	<p>SEPARATE CERTIFICATES OF DEPOSIT FOR SPECIFIC TYPES OF COLLECTIONS BASED UPON THE THEN EXISTING CENTRAL FUNDING REQUIREMENTS</p> <p>CHECKS AND DEPOSITS FOR BOOK-KEEPING TRANSACTIONS REPRESENTING INTRAGOVERNMENT EXPENDITURE AND NONEXPENDITURE TRANSACTIONS</p>	<p>3. AS SOURCE DATA FOR AN INTEGRATED SYSTEM OF CENTRAL ACCOUNTS</p> <div style="border: 1px solid black; padding: 5px; text-align: center;"> CENTRAL GENERAL LEDGER AND SUSIDIARY RECORDS OF THE TREASURY </div>
<p>4. AND CONSEQUENTLY INADEQUATE SUPPORT FOR THE</p> <div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; padding: 2px;">COMBINED STATEMENT 1948</div> <div style="border: 1px solid black; padding: 2px;">BUDGET DOCUMENT 1949</div> <div style="border: 1px solid black; padding: 2px;">AGENCY INTERNAL REPORTS 1948</div> </div>	<p>HANDLING AGENCY COLLECTIONS IN TREASURY REGIONAL DISBURSING OFFICES</p> <p>ACCOUNT OF ADVANCES FOR THE MILITARY DEPARTMENT</p>	<p>4. PROVIDING INTERLOCKING ACCOUNTING SUPPORT FOR THE</p> <div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; padding: 2px;">MONTHLY TREASURY STATEMENT 1963</div> <div style="border: 1px solid black; padding: 2px;">COMBINED STATEMENT 1963</div> <div style="border: 1px solid black; padding: 2px;">BUDGET DOCUMENT 1964</div> <div style="border: 1px solid black; padding: 2px;">AGENCY INTERNAL REPORTS 1963</div> </div>

FIFTEEN YEARS OF PROGRESS IN CENTRAL ACCOUNTING FOR CASH OPERATIONS OF THE GOVERNMENT

de in scope. ncial reports; pervising the fications and fidelity and sting Govern- ury loans and counting and Government; improvement

referred to as Briefly, one each agency, al information an, the system ory (warrant) ential purpose and duplication Office, and the That system of the Govern- d as the frame- ounting Proce- system is tied collecting, and States, is based nified centrally

al reporting of As a result of eral Accounting in carrying out res Act of 1950, entral financial of information,

er this period. ajor moderniza- stem which has etter quality of g agencies from ermitting talent to management

